

Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 17578 01 OF 02 030414Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 SS-15 AID-05 CEA-01
CIAE-00 COME-00 EB-08 FRB-01 INR-07 NSAE-00 SP-02
STR-05 TRSE-00 LAB-04 SIL-01 OMB-01 L-03 H-02
ITC-01 DODE-00 PA-02 USIA-15 PRS-01 OES-07 /108 W
-----042241 030420Z /41

R 021727Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 3469
INFO ALL EC CAPITALS
AMEMBASSY PARIS
USMISSION GENEVA

UNCLAS SECTION 01 OF 02 BRUSSELS 17578

USEEC

PASS AGRICULTURE ELECTRONICALLY
PARIS ALSO FOR USOECD
GENEVA ALSO FOR USMTN

E.O. 11652: N/A
TAGS: EAGR - EEC
SUBJ: EC DAIRY MARKET SITUATION, SALES OF NFDM FOR
FEED USE

REFS: (A) BRUSSELS 12264; (B) EC BRUSSELS 4837
(C) BRUSSELS 12095; (D) EC A-427

1. SUMMARY: DESPITE AN ESTIMATED 2 TO 3 PERCENT INCREASE
IN EC MILK DELIVERIES IN 1977, STOCKS OF NFDM HAVE DECLINED
SLIGHTLY THIS YEAR. STOCKS OF BUTTER HAVE INCREASED BUT
NOT TO THE EXTENT PREDICTED EARLIER IN THE YEAR. INCREASED
PRODUCTION OF CHEESE, WHOLE MILK POWDER AND CERTAIN FRESH
MILK PRODUCTS HAVE PREVENTED INCREASES IN NFDM AND BUTTER
PRODUCTION THIS YEAR. HOWEVER, USE OF NFDM FOR PIG AND
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 17578 01 OF 02 030414Z

POULTRY FEED (NOW ESTIMATED AT 350,000 TONS) IS NOT AS
HIGH AS PREDICTED EARLIER. END SUMMARY.

2. AS OF THE END OF LAST WEEK, EC INTERVENTION STOCKS OF
NFDM STOOD AT 1,035 MILLION TONS; INTERVENTION STOCKS OF
BUTTER STOOD AT 137,500 TONS, WITH AN ADDITIONAL 211,000
TONS HELD UNDER EC SUBSIDIZED PRIVATE STORAGE CONTRACTS.

AN OFFICIAL IN THE COMMISSION'S DAIRY DIVISION TOLD US THAT THE REDUCTION IN NFDM STOCKS HAS NOT BEEN AS GREAT AS WAS HOPED EARLIER (REF. A), PRIMARILY BECAUSE DOMESTIC SALES OF NFDM FOR FEED USE HAVE NOT REACHED THE RATHER HIGH LEVELS PREDICTED AT MID-YEAR. EC INTERVENTION STOCKS AT THE BEGINNING OF 1977 WERE 1.14 MILLION TONS. HE NOTED, HOWEVER, THAT STOCKS OF BOTH BUTTER AND NFDM ARE CONSIDERABLY LOWER THAN PREDICTED AT THE BEGINNING OF THE YEAR. (REF. B).

3. THE OFFICIAL POINTED OUT THAT EC MILK PRODUCTION HAD INCREASED AN ESTIMATED 1-2 PERCENT IN 1977. (MILK DELIVERIES ARE UP AN ESTIMATED 2-3 PERCENT). HOWEVER, AS OF MID-OCTOBER 1977, PRODUCTION OF BUTTER AND SKIM MILK POWDER WERE STILL BELOW 1976 LEVELS, ALTHOUGH PRODUCTION FIGURES FOR 1977 AS A WHOLE ARE EXPECTED TO BE ABOUT THE SAME AS 1976. A LARGER INCREASE IN EC PRODUCTION OF BUTTER AND NFDM WAS PREVENTED BY INCREASED PRODUCTION OF CHEESE, WHOLE MILK POWDER AND CERTAIN FRESH MILK PRODUCTS. ALSO, SUBSTANTIALLY HIGHER SALES OF LIQUID SKIM MILK FOR FEED USE (PERHAPS 8 TO 10 PERCENT ABOVE LAST YEAR), DUE IN LARGE PART TO INCREASES IN EC SUBSIDIES FOR THE FEEDING OF THIS PRODUCT, HAVE HELPED TO KEEP DOWN THE LEVEL OF NFDM PRODUCTION.

4. THE OFFICIAL NOW ESTIMATES THAT ABOUT 350,000 TONS OF NFDM WILL BE MOVED INTO PIG AND POULTRY FEED IN UNCLASSIFIED

UNCLASSIFIED

PAGE 03 BRUSSE 17578 01 OF 02 030414Z

1977 THROUGH THE VARIOUS SUBSIDY PROGRAMS OPERATED BY THE COMMUNITY. WHILE THIS FIGURE IS CONSIDERABLY LOWER THAN ESTIMATES MADE EARLIER IN THE YEAR (REF. A), SEVERAL OBSERVERS THINK IT IS STILL TOO HIGH. THE ESTIMATES IN REF. A APPEAR IN RETROSPECT TO HAVE BEEN UNDULY INFLUENCED BY LARGE SALES OF NFDM FOR FEED MADE IN THE SPRING WHEN THERE WAS A GREAT DEAL OF CONCERN ABOUT THE AVAILABILITY OF SOYBEAN MEAL SUPPLIES. ON THE OTHER HAND, EXPORTS OF NFDM ARE EXPECTED TO BE CONSIDERABLY HIGHER THAN LAST YEAR AND HIGHER THAN EARLIER ESTIMATES.

5. THE OFFICIAL GAVE US THE FOLLOWING INFORMATION ON SALES OF NFDM FOR PIG AND POULTRY FEED SINCE SEPTEMBER (REF. C). UNDER THE EC'S STANDING TENDERS FOR INTERVENTION SALES OF NFDM FOR PIG AND POULTRY FEED, AWARDS COVERING 10,700 TONS AND 21,000 TONS WERE MADE IN OCTOBER AND NOVEMBER, RESPECTIVELY. THE MINIMUM SELLING PRICE FOR BOTH MONTHS WAS 11.5 UNITS OF ACCOUNT PER 100 KGS. IN NOVEMBER, THE MINIMUM SELLING PRICE OF 11.5 U.A./100 KGS. APPLIED ONLY TO NFDM PUT IN STOCK BEFORE JANUARY 1, 1975. A MINIMUM SELLING PRICE OF 12.75 U.A./100 KGS. WAS SET FOR OTHER NFDM WITH AWARDS COVERING 4,500 TONS. THE OFFICIAL DID NOT HAVE

DATA ON "FIXED PRICE SALES" DURING THIS PERIOD (EC REGULATIONS PROVIDE END-OF-MONTH SALES AT PRICES 1 U.A./100 KGS. ABOVE THE MINIMUM SELLING PRICE FIXED UNDER THE TENDER SYSTEM.) UNDER THE EC'S TENDER SYSTEM FOR THE GRANTING OF SUBSIDIES FOR THE FEEDING OF FRESH (I.E., NON-INTERVENTION) NFDM, INITIATED IN SEPTEMBER 1977, AWARDS COVERING 10,200 AND 4,500 NS WERE MADE IN OCTOBER AND NOVEMBER, RESPECTIVELY. MAXIMUM SUBSIDIES WERE FIXED AT 75 U.A./100 KGS. (OCTOBER) AND 76.5 U.A./100 S. (NOVEMBER).

6. AWARDS UNDER THE TENDER SYSTEMS FOR BOTH FRESH AND

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 BRUSSE 17578 02 OF 02 030415Z
ACTION EUR-12

INFO OCT-01 IO-14 ISO-00 AGRE-00 SS-15 AID-05 CEA-01
CIAE-00 COME-00 EB-08 FRB-01 INR-07 NSAE-00 SP-02
STR-05 TRSE-00 LAB-04 SIL-01 OMB-01 L-03 H-02
ITC-01 DODE-00 PA-02 USIA-15 PRS-01 OES-07 /108 W
-----042250 030425Z /41

R 021727Z DEC 77
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 3470
INFO ALL EC CAPITALS
AMEMBASSY PARIS
USMISSION GENEVA

UNCLAS SECTION 02 OF 02 BRUSSELS 17578

INTERVENTION NFDM NOW TOTAL ABOUT 220,000 TONS. THIS FIGURE DOES NOT INCLUDE FIXED PRICE SALES OVER THE SEPTEMBER-NOVEMBER PERIOD. ALSO, IT DOES NOT INCLUDE SALES OF NFDM MADE UNDER THE COMPULSORY PURCHASE SCHEME (AND THE RELATED SUBSIDY PROGRAM) IN THE FIRST FEW MONTHS OF 1977.MORRIS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MARKETS, SALES, DAIRY PRODUCTS, DATA, REPORTS, FEED
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BRUSSE17578
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770448-0965
Format: TEL
From: BRUSSELS USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197712101/aaaadids.tel
Line Count: 159
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 99ddcefb-c188-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 BRUSSELS 12264, 77 EC BRUSSELS 4837, 77 BRUSSELS 12095
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 11-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 107104
Secure: OPEN
Status: NATIVE
Subject: EC DAIRY MARKET SITUATION, SALES OF NFDM FOR FEED USE
TAGS: EAGR, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/99ddcefb-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009